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1. Submission by the Niagara Basic Power Users' Committee

(a) The Committee

Mr. R.C. Berry acted as the main spokesman for the Committee. He said that the Committee represented nine long-established heavy power using industries in the Niagara Peninsula and that these industries had for three years been attempting to confront the Hydro Electric Power Commission of Ontario and the Government of Ontario with the serious situation in which these industries find themselves because of high power costs. Mr. Berry then reviewed the companies which were members of the Committee and also what the Committee had in fact done since its formation in 1959. He also read parts of the letter which was contained in the Committee's written submission. Among other things he emphasized that increased hydro costs were forcing some of the member companies to consider development outside Ontario and that Hydro and government should recognize the special situations of the companies by seeking ways of reducing power rates, lengthening contracts to ten years and by guaranteeing that 25-cycle power will be maintained in the Niagara District.

Mr. Berry then said that several other members of the Committee would speak for the different industrial groups of which the Committee was composed. The first speaker was Mr. F. Bowman, President of Cyanamid of Canada Limited. He said that Ontario Hydro ignores the particular problems of industrial users and that its power charges had almost doubled between 1950 and 1960. As electric power forms as much as 25% of the cost of some of its products, particularly dicyandiamide, the companies' competitive position was being jeopardized. He said that lower rates were necessary and that ten-year contracts were desirable. He also pointed out that Cyanamid was establishing a new plant in Ontario but that it was being constructed on the expectation that Ontario Hydro would meet its demands for lower rates and longer contracts. The next speaker, Mr. A.M. MacDonald, Vice-President of Canadian Carborundum Company Limited, reiterated the demand for cheap power, especially as several of the firms, including his own, exported a large proportion of their products and as the cost of power in their industry was an important factor determining competitiveness and their location.

Mr. G.O. Loach, Vice-President, Union Carbide Canada Limited, spoke next for the metals manufacturing companies and pointed out that his own company had been established in 1907 at Welland because of cheap power and because power formed a large proportion of its factory cost. He said that increased competition was being experienced from Quebec mainly because Quebec had a power cost advantage over Ontario and that his own firm would not plough further capital into its Welland plant unless power charges were favourably adjusted.

Mr. J.B. Jones, Vice-President of Manufacturing, of the Ontario Paper Company Limited, spoke lastly for the paper manufacturing interests in the Niagara Region. He, too, emphasized the need for cheap power and even more for the continuation of the 25-cycle system. He said that it would cost his firm from \$4-5 million to convert its plant to the 60-cycle system.

Mr. Berry summarized what the previous four speakers had said and also suggested that 25-cycle facilities should be separately costed by Ontario Hydro. He indicated that the companies could obtain better treatment in Quebec including ten-year contracts.

(b) Ontario Hydro Representatives

The Chairman, Mr. W.R. Strike, apologized for not having had time to study the Committee's second submission and said that he would not restate what had been said previously by Ontario Hydro on this matter but if there were any questions he could answer at the moment he would be glad to do so. Mr. Strike was asked if Ontario Hydro could give any information regarding rate structures and he replied that he was not prepared at that time to go into this matter.

(c) Discussion

Discussion ensued on the feasibility of a ten-year contract and on the possibility of building an escalator clause into that contract. Mr. Berry supported the idea of an escalator clause but only if not adjusted more than once every five years. Some attempt was also made to ascertain whether the power charges were a significant factor in the viability of the member firms. Dean Bladen said that the essential factor that had to be determined was whether the firms were being discriminated against or were seeking a subsidy. The Council members stated that they did not wish to see any industries discriminated against by the general pricing policy of Ontario Hydro and that it should be possible to relate charges to cost in certain instances.

Following the departure of the representatives of the Ontario Hydro and the Niagara Basic Power Users' Committee from the meeting, the Chairman stated that we should obtain a statement from Hydro as to whether or not they were prepared to consider any of the requests made by the Niagara Power Users Committee and that the Council should then refer the matter to Cabinet.

2. Minutes of the Previous Meeting

The Minutes of the Council meeting held on December 7, 1962, previously distributed to all members of the Council, were approved.

3. Business Arising from Previous Meeting

(a) Report of the Productivity Committee

The report of the Productivity Committee, established by the Council, recommended that Council support the National Productivity Council in its effort to establish Joint Labour-Management Community Councils and that a staff member be directed to act as Liaison Officer with the National Productivity Council. It was agreed by Council that the recommendation of the Committee be approved.

(b) Report on Moosonee

Mr. Clarkson advised Council that the Department of Economics and Development was working with the Federal Department of Transport on a study of Moosonee. Mr. Clarkson expects to be in a position to present to Council a detailed report at a later date.

4. Appointments

(a) Appointment to Council

The Chairman introduced Mr. R.A. Engholm, Vice-President and General Manager, of the Macotta Company of Canada Limited, who was recently appointed a member of Council.

(b) Appointments to the Agriculture Committee

The appointment of Mr. John Lenglet, Assistant Director of the United Packinghouse Food and Allied Workers, and Dr. John Brown, Secretary-Treasurer, of the Ontario Fruit and Vegetable Growers Association, to the Agriculture Committee was approved by Council.

(c) The Windsor Economic Committee

The Chairman advised the meeting that following a submission to Cabinet by Mr. George Burt, of the United Automobile Workers, regarding the Windsor industrial situation, Council was requested to establish a Committee to examine the various reports available relating to Windsor. The Director was instructed to contact members of the Executive Committee and obtain the necessary approval. The action of the Executive Committee was approved by Council together with the terms of reference and the appointment of the following to the Committee:

Mr. Leroy Smithers (Chairman)
President and General Manager
Dow Chemical Company Limited

Mr. Murray Elder (Secretary)
Industrial Commissioner
Greater Windsor Industrial Commission

Mr. George Burt,
Canadian Director,
United Automobile Workers

Mr. Frank Quinlin
President,
Windsor Labour Council

Mr. Henry C. Johnson,
President
Phil Wood Industries Limited

Mr. Hugh McConville,
President, Local 195,
United Automobile Workers

Mr. R.H. Long,
General Manager,
Bendix Eclipse of Canada Ltd.

Mr. Herb Kelly,
President, Local 200,
United Automobile Workers

Mr. R.W. Todgham
President,
Chrysler Corporation of Canada

Professor John Blake Gertz
School of Business Administration,
Assumption University

5. Other Business

(a) Membership - Mr. D. Gillis

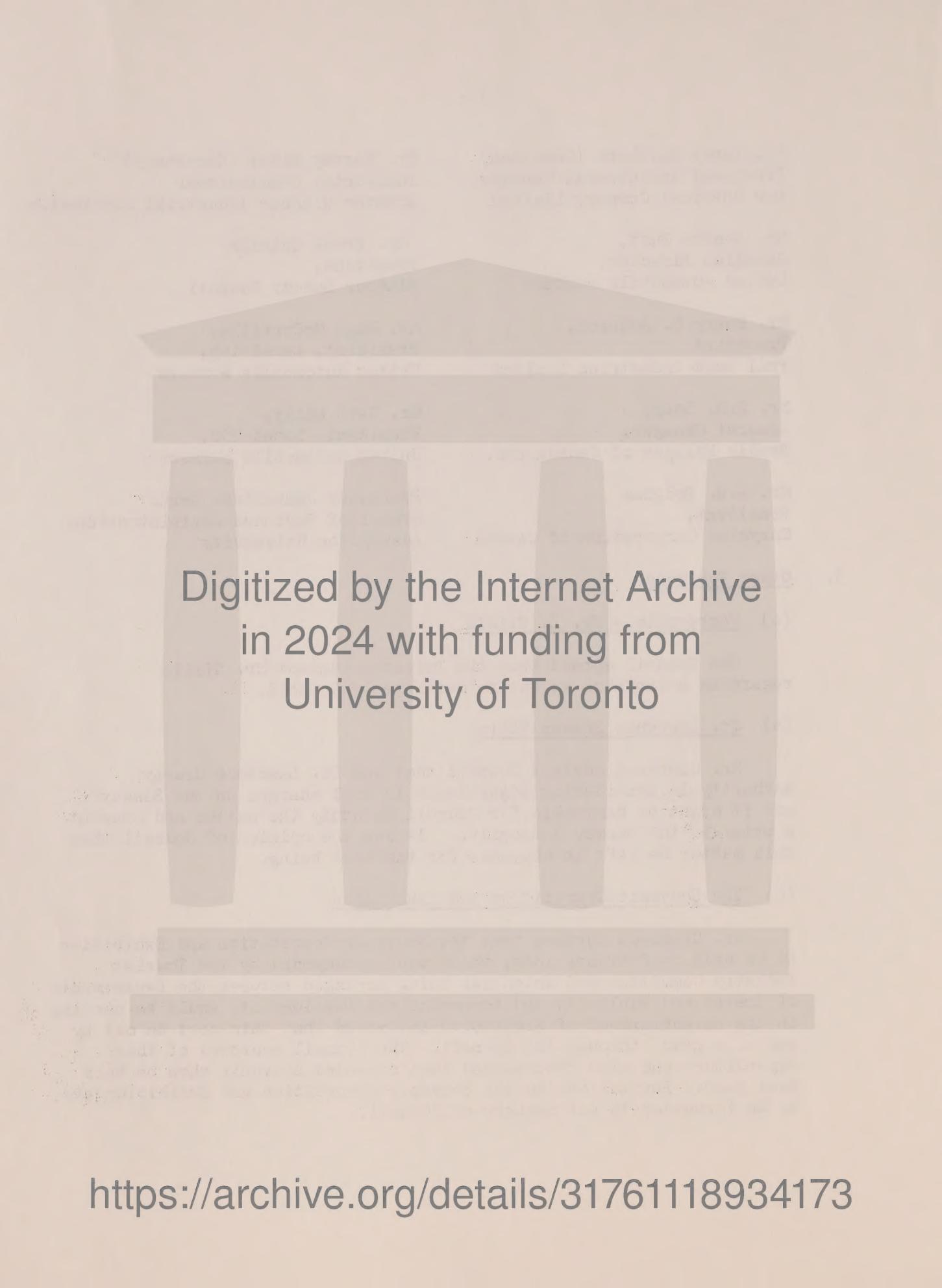
The Council agreed that the Director contact Mr. Gillis regarding attendance at future meetings of Council.

(b) St. Lawrence Seaway Tolls

Mr. Clarkson advised Council that the St. Lawrence Seaway Authority is considering adjustments in toll charges on the Seaway and it might be desirable for Council to study the matter and present a brief to the Seaway Authority. It was the opinion of Council that this matter be left in abeyance for the time being.

(c) The Souvenir Competition and Exhibition

Mr. Clarkson advised that the Souvenir Competition and Exhibition to be held on February 18th, which was recommended by the Tourist Industry Committee and which was being arranged between the Departments of Travel and Publicity and Economics and Development, would be costing in the neighbourhood of \$10,000.00 and moved that this cost be met by way of a grant through the Council. The Council approved of this expenditure and also recommended that a second souvenir show be held next year. Invitations to the Souvenir Competition and Exhibition are to be forwarded to all members of Council.



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(c) Report of Mr. W.H. Cranston,
Chairman of the Tourist Industry Committee

Mr. Cranston presented a preliminary report on the activities of the Tourist Committee for the information of Council. It was the opinion of Council that as Mr. Cranston's report was most informative, copies should be made available to members of the Cabinet. Mr. Cranston stated that the Tourist Committee was still hearing two or three briefs a week and that a final report was being prepared for future presentation to Council.

(d) Manufacturing Opportunities Shows

It was agreed by the Council to defray the cost of the luncheon at the above show. Mr. Randall advised members that further M.O. Shows were to be held in Cornwall on March 12th and 13th and North Bay on April 25th and 26th.

5. Next Meeting

It was agreed that the next meeting of Council be held toward the middle of March.

6. Adjournment

The meeting adjourned at 12.30 p.m.

S.J. Randall, Chairman

S.J. Gadsby, Director.

